

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4601-01  
Bill No.: SB 962  
Subject: Education, Elementary and Secondary  
Type: Original  
Date: March 1, 2010

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Bill Summary: This proposal adds an additional weight for state funding for gifted education for elementary and secondary education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
General Revenue	\$0	(\$10,000,000 to \$11,000,000)	(\$10,000,000 to \$11,000,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>(\$10,000,000 to \$11,000,000)</b>	<b>(\$10,000,000 to \$11,000,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
State School Monies Fund	\$0	\$0*	\$0*
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0*</b>	<b>\$0*</b>

**\*Offsetting Transfers In and Transfers Out for FY 12 and FY 13 are between \$10,000,000 and \$11,000,000**

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$10,000,000 to \$11,000,000</b>	<b>\$10,000,000 to \$11,000,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education (DESE)**, the gifted count to use in the weighting calculation is the number of gifted students greater than 5% of the district's enrollment. That difference is then multiplied by .25.

The estimated weighted gifted count is 3,200. The state average amount per weighted average daily attendance for the FY10 foundation formula is \$3,256. Multiplying 3,200 weighted gifted count by the state formula average of \$3,256 yields an estimated cost for adding a gifted weight to the formula of approximately \$10.4 million.

The cost for FY11 is zero as the proposal specifies this weighting to begin in FY12.

All districts enrollments and the number of gifted students will change by FY12, thus impacting the actual cost; however, DESE assumes an estimate of \$10 to \$11 million seems reasonable based on data in FY10.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>GENERAL REVENUE</b>			
<u>Cost - Department of Elementary and Secondary Education - Increased State Aid</u>	<u>\$0</u>	<u>(\$10,000,000 to \$11,000,000)</u>	<u>(\$10,000,000 to \$11,000,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>(\$10,000,000 to \$11,000,000)</u></b>	<b><u>(\$10,000,000 to \$11,000,000)</u></b>

FISCAL IMPACT - State Government

FY 2011  
(10 Mo.)

FY 2012

FY 2013

**STATE SCHOOL MONIES FUND**

Transfer In - General Revenue - Increased  
 State Aid

	\$10,000,000 to	\$10,000,000 to
\$0	\$11,000,000	\$11,000,000

Transfer Out - Distribution to School  
 Districts - Increased State Aid

	(\$10,000,000 to	(\$10,000,000 to
\$0	\$11,000,000)	\$11,000,000)

**ESTIMATED NET EFFECT ON  
 STATE SCHOOL MONIES FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2011  
(10 Mo.)

FY 2012

FY 2013

**LOCAL POLITICAL SUBDIVISIONS**

Transfer In - School Districts - Increase in  
 State Aid for gifted education

	\$10,000,000 to	\$10,000,000 to
\$0	\$11,000,000	\$11,000,000

**ESTIMATED NET EFFECT ON  
 LOCAL POLITICAL SUBDIVISIONS**

<u>\$0</u>	<u>\$10,000,000 to</u> <u>\$11,000,000</u>	<u>\$10,000,000 to</u> <u>\$11,000,000</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposed legislation modifies provisions relating to gifted education.

§160.522

School districts must include in their annual school accountability report card whether the school district currently has a state-approved gifted education program. The school district must also

FISCAL DESCRIPTION (continued)

indicate if it has had a state-approved gifted education program within the last three years.

§162.720

This section requires school districts to identify gifted students and establish appropriate programs or differentiated services for them. DESE must develop a list of identification criteria with emphasis on early identification. Gifted education must be funded by school districts from their basic state aid except as described in the act.

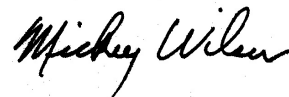
§163.011

This proposed legislation modifies the elementary and secondary education funding formula by adding an additional weight for gifted education. "Gifted Education Pupil Count" is defined as the number of students who qualify as "gifted" under §162.675 and who are enrolled in a school district's gifted education program on the last Wednesday in January for the preceding school year. This number must not exceed five percent of a school district's enrollment for the immediately preceding academic year. The definition of "weighted average daily attendance" is modified by including in the calculation the product of .25 multiplied by the number of the district's gifted education pupil count beginning on July 1, 2012.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



Mickey Wilson, CPA  
Director  
March 1, 2010